



CoStar Expects U.S. Industrial Vacancy to Peak in Early 2027

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ARLINGTON, Va.--(BUSINESS WIRE)--Apr. 30, 2026-- U.S. industrial vacancy is projected to rise into early 2027, according to a revised forecast from [CoStar](#), the leading global provider of online real estate marketplaces, information and analytics in the property markets.

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The national industrial vacancy rate remains in the mid-7% range entering the second quarter of 2026 and is expected to edge higher into 2027 before beginning a gradual descent. The forecasted vacancy rate is [slightly higher than previous](#)

Industrial vacancy is forecast to peak in early 2027

[expectations](#), as demand in 2027, while projected to remain higher than 2026 levels, is estimated to come in lower than the prior forecast.

Average annual rent growth over the 2026-27 period has been lowered, and is now forecasted at +1.6%, assuming continued downward pressure on rents in the near term, with a slower recovery toward 2% annual growth by late 2027.

"While leasing activity for industrial space has held up better than initially expected, the recovery path continues to lengthen as stabilizing demand struggles to fully absorb the new space delivered over the last four years," said Juan Arias, national director of industrial analytics at CoStar Group. "That said, moderating new supply expected by early 2027 will likely drive a significant inflection point in vacancy and reaccelerate rent growth in the latter half of that year."

"Risks to the forecast remain tilted to the downside," said Arias. "Volatility around trade policy between the U.S. and other trade partners, persistent increases in tenant operating expenses and potentially subdued consumer spending on goods may continue to weigh on expansion decisions by industrial tenants. Conversely, if inflation eases and consumer confidence rebounds, absorption and rent growth across the industrial property sector could outperform expectations."

The full forecast can be found [here](#).

For more information about the company and its products and services, please visit costargroup.com.

About CoStar Group

CoStar Group (NASDAQ: CSGP) is a global leader in commercial real estate information, analytics, online marketplaces, and 3D digital twin technology. Founded in 1986, CoStar Group is dedicated to digitizing the world's real estate, empowering all people to discover properties, insights, and connections that improve their businesses and lives.

CoStar Group's major brands include CoStar, a leading global provider of commercial real estate data, analytics, and news; LoopNet, the most trafficked commercial real estate marketplace; Apartments.com, the leading platform for apartment rentals; Homes.com, the fastest-growing residential real estate marketplace; and Domain, one of Australia's leading property marketplaces. CoStar Group's industry-leading brands also include Matterport, a leading spatial data company whose platform turns buildings into data to make every space more valuable and accessible; STR, a global leader in hospitality data and benchmarking; Ten-X, an online platform for commercial real estate auctions and negotiated bids; and OnTheMarket, a leading residential property portal in the United Kingdom.

CoStar Group's websites attracted over 131 million average monthly unique visitors in the first quarter of 2026, serving clients around the world. Headquartered in Arlington, Virginia, CoStar Group is committed to transforming the real estate industry through innovative technology and comprehensive market intelligence. From time to time, we plan to utilize our corporate website as a channel of distribution for material company information. For more information, visit CoStarGroup.com.

This news release includes "forward-looking statements" including, without limitation, statements regarding CoStar's expectations or beliefs regarding the future. These statements are based upon current beliefs and are subject to many risks and uncertainties that could cause actual results to differ materially from these statements. The following factors, among others, could cause or contribute to such differences: the risk that the U.S. industrial projected vacancy rate and average annual rent growth do not occur as expected or are not influenced negatively by weighty trends in trade uncertainty or positively by trends in consumer spending and inflationary economic conditions as expected. More information about potential factors that could cause results to differ materially from those anticipated in the forward-looking statements include, but are not limited to, those stated in CoStar's filings from time to time with the Securities and Exchange Commission, including in CoStar's Annual Report on Form 10-K for the year ended December 31, 2024 and Forms 10-Q for the quarterly periods ended March 31, 2025, June 30, 2025, and September 30, 2025, each of which is filed with the SEC, including in the "Risk Factors" section of those filings, as well as CoStar's other filings with the SEC available at the SEC's website (www.sec.gov). All forward-looking statements are based on information available to CoStar on the date hereof, and CoStar assumes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

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